Table of Contents



About the Author Acknowledgments		ix xi
Chapter 1	Defining <i>Green</i> and Understanding the Elements of Green Building	1
	The Six Elements of Green Building	3
	Green Certifications	16
Chapter 2	The Challenges of Valuing Green	19
	Market Data Problems	19
	How the Different Shades of Green Affect Value	23
	Possible Solutions	25
Chapter 3	Competency Concerns	27
	Perspectives on Competency	27
	How the Market Currently Deals with Competency and Complexity in Green Valuation	32
	Suggested Steps to Competency	35
	Federal Green Mandates Versus the URAR Form	37
Chapter 4	A Review of the Appraiser's Toolbox	47
	Cost Analysis	48
	Gross Rent Multipliers	51
	Discounted Cash Flow Analysis	53
	Paired Data Analysis	56

Chapter 5	Supporting Adjustments	61
	Case Study: Lack of Adjustments for Energy Efficiency	61
	How Reliable Are the Estimated Energy Costs in a	
	HERS Index Report?	64
	Studies and Surveys to Support the Contributory Value of Features	66
	Case Study: Supporting a Green Feature Adjustment in an Appraisal Report	72
	What Message Do Underwriters Have to Convey to Appraisers?	76
Chapter 6	Residential Green and Energy Efficient Addendum Form	79
	A New Tool for Appraisers	79
	Appraiser's Certification	87
	Green Features Section	88
	Objective of the Addendum	90
	Energy-Efficient Items Section	92
	Solar Panels Section	113
	Location-Site Section	123
	Incentives Section	123
	"Completed by" Section	125
	Glossary and Resources Section	126
	Using the Addendum and Supporting Documents	126
Chapter 7	Appraiser Independence Requirements, Fannie Mae	
	Mortgage Market References, and the Appeal Process	129
	Appraiser Independence Requirements	129
	Fannie Mae Mortgage Market Appraisal References	129
	Energy-Efficient Mortgage Programs	133
	The Appraisal Appeal Process	135
Chapter 8	The Appraisal of an Energy Star House	141
	Excerpts from an Appraisal Report for an Energy Star-Rated Property	144
Chapter 9	The Appraisal of a Passive Solar House	153
	Supporting Documents for Passive Solar Houses	156
	Handling Difficulties in the Valuation of Passive Solar	
	Houses	156
	Case Study	159

Chapter 10	Valuation Issues in the Appraisal of Homes with		
	Solar Photovoltaic Systems.	161	
	Solar Photovoltaic Valuation Tools	164	
	Solar PV Leases	171	
Chapter 11	The Appraisal of a Net-Zero Energy or Net-Zero		
	Electric House	175	
	Difficulties in the Valuation of Net-Zero Energy and		
	Net-Zero Electric Houses	176	
Chapter 12	•		
	High-Performance Housing	183	
	Step 1. Network with Other Professionals and Educate		
	the Public	183	
	Step 2. Qualify the Sales Agent	183	
	Step 3. Prominently Advertise High-Performance Features	184	
	Step 4. Qualify the Lender	184	
	Step 5. Qualify the Appraiser	185	
	Step 6. Prepare and Distribute the Necessary Documents	186	
	Step 7. Provide Comparable High-Performance Sales,		
	Listings, or Listings Under Contract	186	
Chapter 13	Conclusion	189	